

Department of Liquor Control Performance Review

George Griffin, Director
June 11, 2009

CountyStat Principles

- **Require Data Driven Performance**
- **Promote Strategic Governance**
- **Increase Government Transparency**
- **Foster a Culture of Accountability**



Agenda

- **Review of Customer Survey results (2008, 2009)**
- **Headline Performance Measures**



Meeting Goal

- **Compare department customer satisfaction performance to last year**
- **Determine the impact of DLC work on headline measures and establish new performance expectations and goals.**



Department of Liquor Control

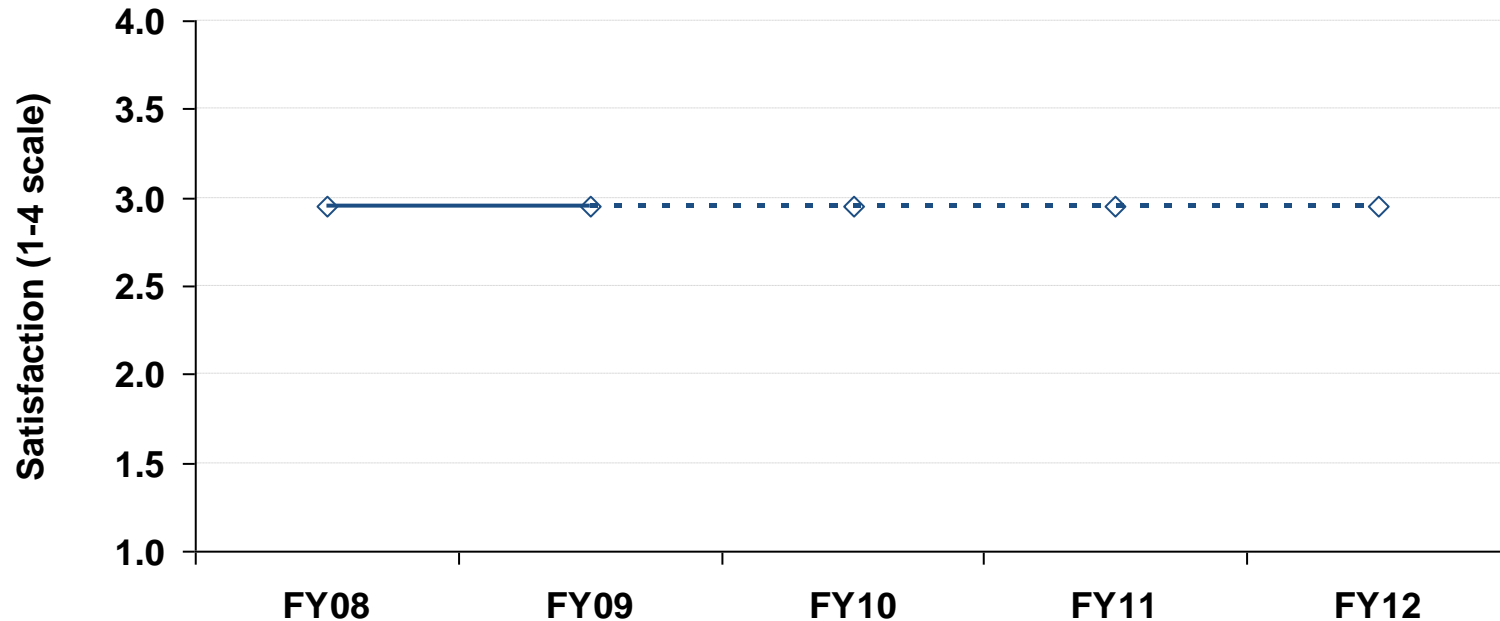
Customer Satisfaction Surveys – Wholesale and Retail

- **The Department of Liquor Control (DLC) administers two annual customer surveys.**
 - It administers a survey of its wholesale customers: those licensed by the County to sell alcohol, including bars, restaurants, and retail stores.
 - The Department also surveys customers that patronize DLC's retail store locations in the County.
- **CountyStat has analyzed the results of each of these surveys, and compared this year's results to last year's.**



Headline Measure

Percent of wholesale customers satisfied with DLC



Measure	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Target	FY12 Target
Satisfaction (1-4 scale)	2.95	2.95	2.95	2.95	2.95



Wholesale Survey

Customer Service & Communications

Customer Service	Average Score 2008	Average Score 2009
Customer Service staff answers calls in a timely manner	2.90	2.92
Customer Service staff takes my order correctly	3.14*	3.17*
Delivery staff is courteous when making deliveries	3.28*	3.32*
Delivery staff completes my paperwork accurately	3.32*	3.42*
Pickup staff is responsive	2.99	3.01
Overall Score – Customer Service	3.13	3.17

Communications	Average Score 2008	Average Score 2009
I regularly read the mailed version of the newsletter	3.13*	3.17
I regularly read the on-line version of the newsletter	2.34*	2.18*
I can easily look up products in the newsletter	3.02*	2.96*
Department staff is responsive when I call	3.03	3.02
Overall Score - Communications	2.93	2.83

**=Difference from the overall survey average is statistically significant*



= Year over year difference is statistically significant



Wholesale Survey

Product Offerings

Product Offerings	Average Score 2008	Average Score 2009
Beer promotions assist me in being profitable	2.86	2.74*
Beer is fresh when I receive it	3.10	3.09*
Beer packaging is clean when I receive it	2.92	2.98
Beer selection is adequate	3.04*	3.02
Turnaround time for Special Order Beer is acceptable	2.53*	2.65*
Wine promotions assist me in being profitable	2.85*	2.84
Liquor promotions assist me in being profitable	2.88	2.94
Wine selection is adequate	2.82*	2.84
Liquor selection is adequate	3.07*	3.09*
Wine/spirits packaging is clean when I receive it	3.03*	3.04
Turnaround time for Special Order Wine is acceptable	2.44*	2.51
Overall Score – Product Offerings	2.87	2.89

**=Difference from the overall survey average is statistically significant*

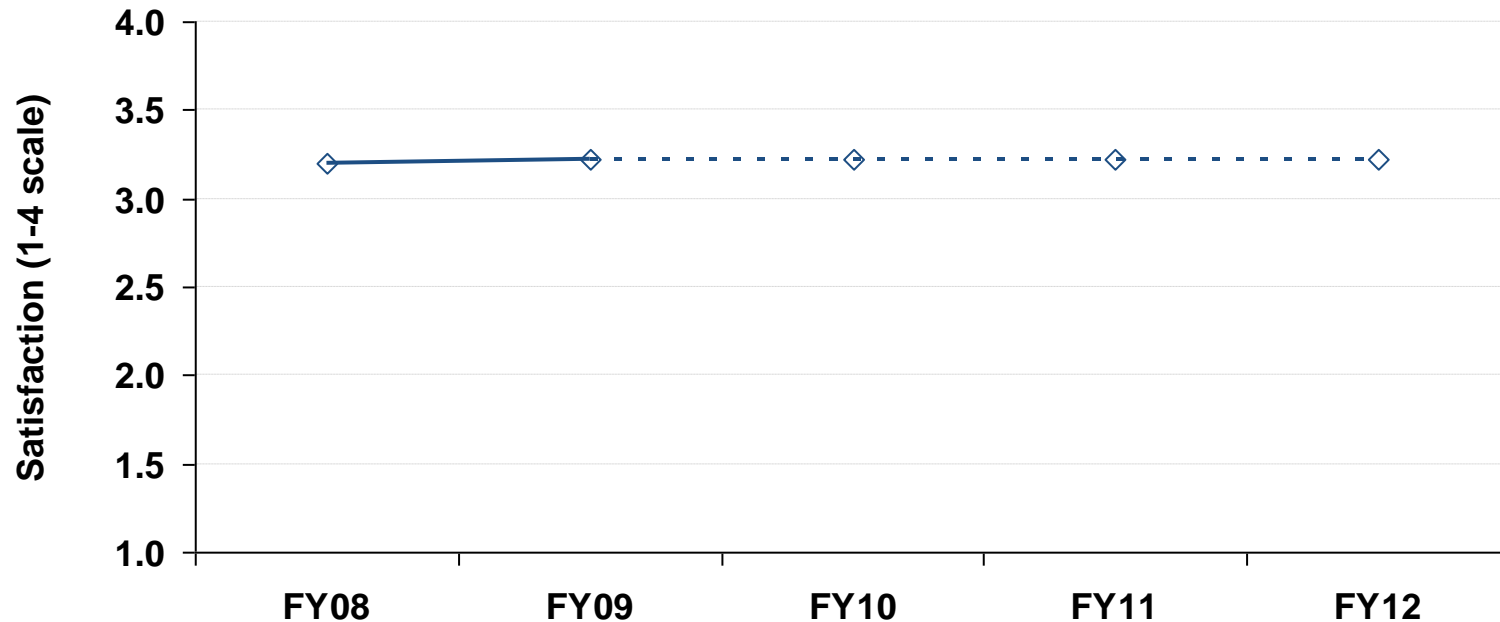


= Year over year difference is statistically significant



Headline Measure

Percent of retail customers satisfied with DLC



Measure	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Target	FY12 Target
Satisfaction (1-4 scale)	3.20	3.22	3.22	3.22	3.22



Retail Survey

Customer Service & Communications

Customer Service	Average Score 2008	Average Score 2009
Staff is knowledgeable about products	3.53	3.61
Staff greets me and is helpful	3.52	3.53
Overall Score – Customer Service	3.53	3.57

Communications	Average Score 2008	Average Score 2009
I regularly check the Washington Post for DLC sales promotions	2.54	2.49
I regularly check the Internet for DLC sales promotions	1.99	2.06
If I regularly check the Internet I can easily find the sale items	2.26	2.37
Overall Score - Communications	2.27	2.31

All differences from the overall survey average are statistically significant



= Year over year difference is statistically significant




Retail Survey

Product Offerings & Overall Shopping Experience

Product Offerings	Average Score 2008	Average Score 2009
Wine selection is adequate	3.34	3.39
Spirits selection is adequate	3.50	3.53
I receive special order items in a timely manner	3.34	3.33
Regular prices are fair	3.12	3.16
Sale prices allow me to get good deals on a wide variety of items	3.47	3.47
Overall Score – Product Offerings	3.35	3.38

Overall Shopping Experience	Average Score 2008	Average Score 2009
My store is in a convenient location	3.68	3.69
Parking is convenient to the store	3.61	3.61
The store is clean	3.63	3.67
Overall Score – Overall Shopping Experience	3.64	3.65

All differences from the overall survey average are statistically significant

 = Year over year difference is statistically significant



Survey Results

Department Response

- **Steps taken over the past year to maintain and/or improve customer satisfaction**
 - Increase customer knowledge so that they have the ability to request special orders through the stores
 - Increase product knowledge through monthly trainings highlighting specific beverage and wine regions
 - Address methods of increasing basic customer service at monthly manager and clerk meetings
 - Increased customer service department training to insure customer satisfaction and communication with the licensees
 - Delivery operations supervisors have continued to work with delivery personnel to ensure customer satisfaction
 - Licensees have full access to warehouse managers by cell phone
- **Steps planned for the next year to maintain and/or improve customer satisfaction**
 - Continue with monthly training meetings with retail personnel
 - Further our partnership with certified Wine Masters and Bordeaux Council
 - Will continue to train Warehouse/Delivery personnel on all aspects of customer service
 - Have reorganized Warehouse management due to position losses for next fiscal year



Headline Measures

Office of the Director

- Annual growth in DLC retail and wholesale sales
- Gross profit margin of DLC retail and wholesale operations

Warehouse Operations

- Inventory as a percent of 'Cost of Goods Sold to Sales' (COGS)
- Inventory as a percent of DLC sales
- Percent of wholesale customers satisfied with DLC

Retail Sales Operations

- Percent of retail customers satisfied with DLC
- Retail sales as a percentage of total sales

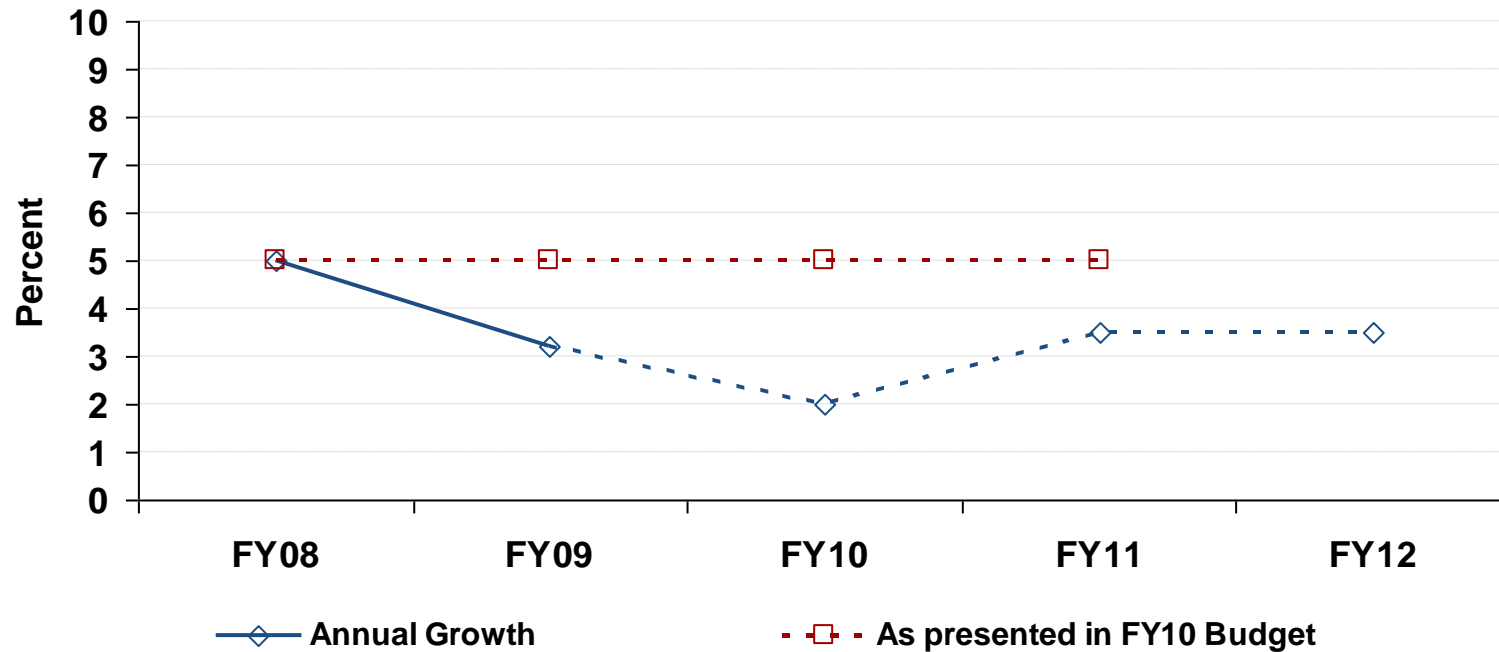
Licensure, Regulation and Education

- Rating of licensees satisfied with the application process
- Rating of licensees satisfied with ALERT Training
- Percent of licensees that fail compliance checks (Number of establishments that fail/Number of total compliance checks)
- Number of annual alcohol compliance checks for sales to minors (under 21)



Headline Measure

Annual growth in DLC retail and wholesale sales



Measure	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Target	FY12 Target
Annual Growth	5	3.2	2.0	3.5	3.5
Measure	FY08 Actual	FY09 Estimate	FY10 Target	FY11 Target	
As presented in FY10 Budget	5	5	5	5	



Headline Measure

Annual growth in DLC retail and wholesale sales

DLC - Annual Sales Growth	FY08	FY09
Retail	6.01%	5.08%
Wholesale	3.59%	2.10%



Retail & Wholesale Sales Figures – Annual Growth by FY

U.S. Census

Estimates of Retail and Food Services Sales by Kind of Business – Annual Growth	FY08	FY09
Food services and drinking places	4.1%	1.6%
Beer, wine and liquor stores	4.6%	4.0%

Estimates of Sales of Merchant Wholesalers – Annual Growth	FY08	FY09
Beer, Wine, & Distilled Alcoholic Beverages	4.2%	2.9%

Source: (1) *Estimates of Monthly Retail and Food Services Sales by Kind of Business*

<http://www.census.gov/retail/mrts/www/benchmark/2010/html/annrev10.html>

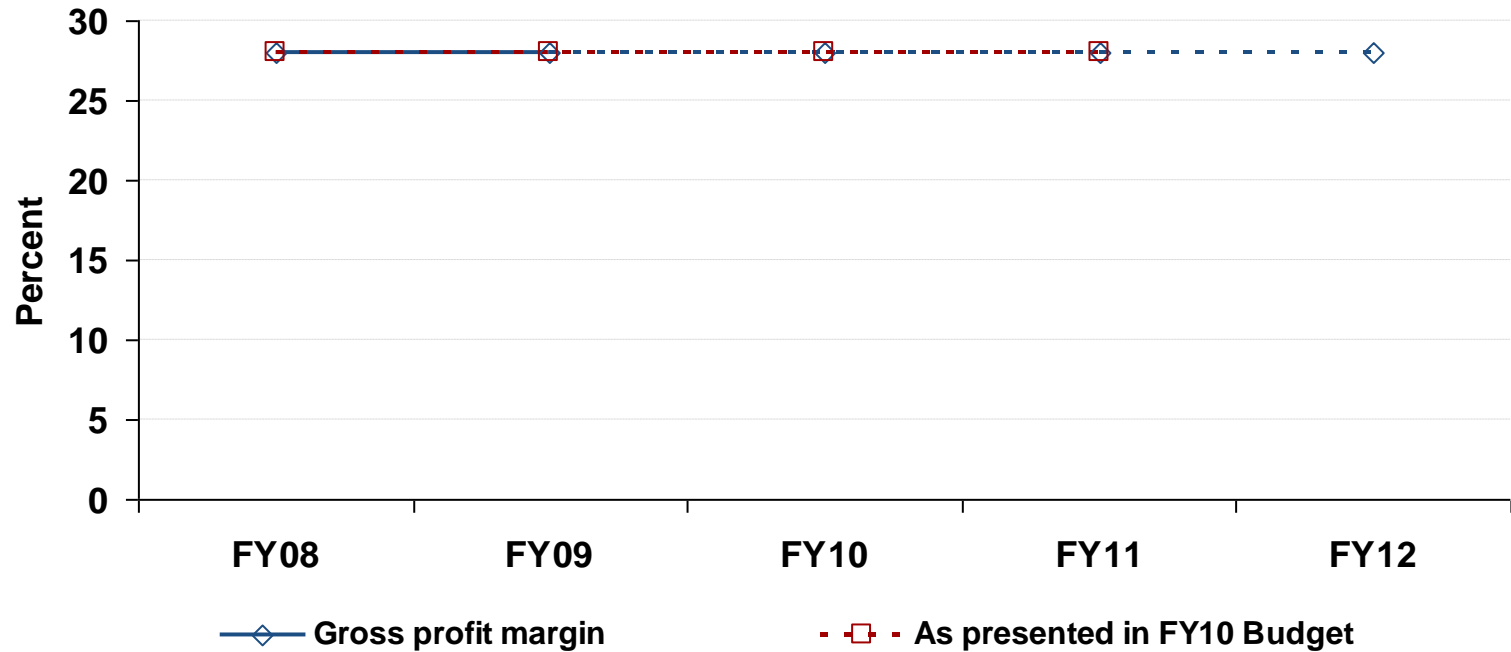
(2) *Revised (Adjusted) Estimates of Monthly Sales, Inventories, and Inventories/Sales Ratios of Merchant Wholesalers, Except Manufacturers' Sales Branches and Offices*

<http://www.census.gov/wholesale/index.html>



Headline Measure

Gross profit margin of DLC retail and wholesale operations

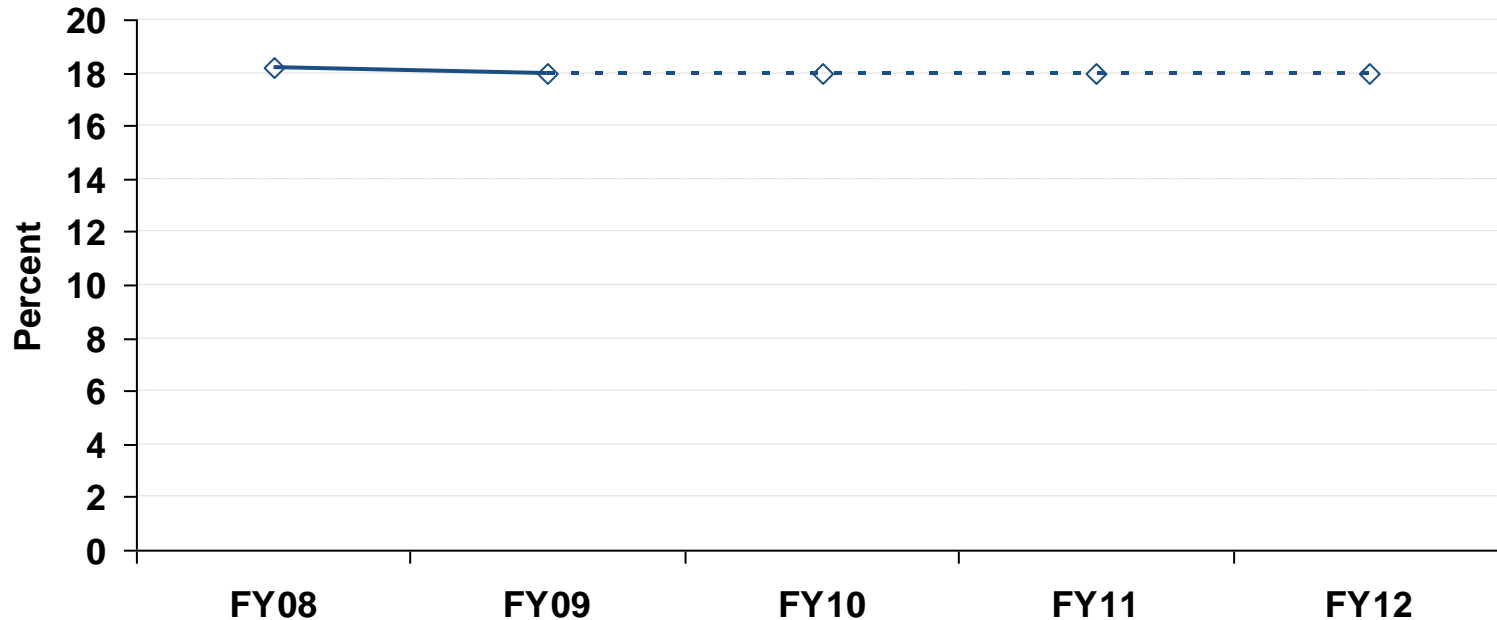


Measure	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Target	FY12 Target
Gross profit margin	28	28	28	28	28
Measure	FY08 Actual	FY09 Estimate	FY10 Target	FY11 Target	
As presented in FY10 Budget	28	28	28	28	



Headline Measure

Inventory as a percent of 'Cost of Goods Sold to Sales' (COGS)



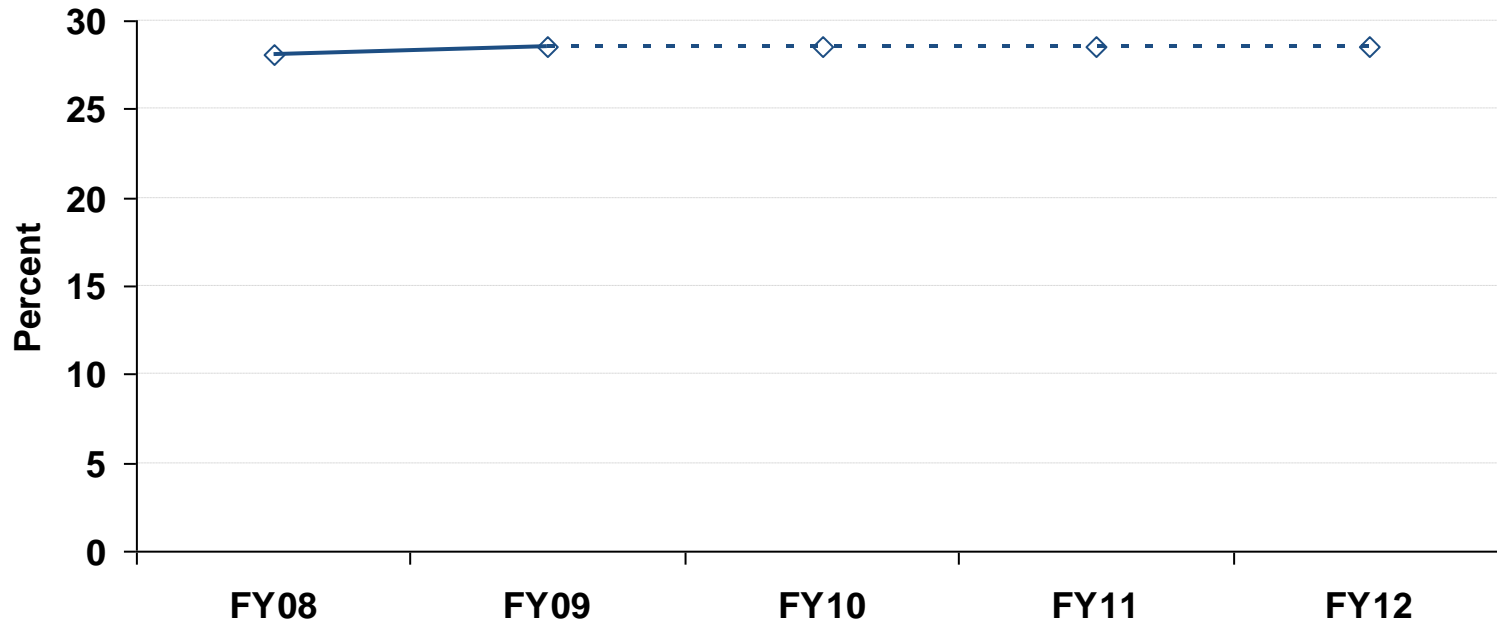
Measure	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Target	FY12 Target
Inventory as a % of COGS	18.2	18.0	18.0	18.0	18.0



**This is a new headline measure for FY10.*

Headline Measure

Inventory as a percent of DLC sales



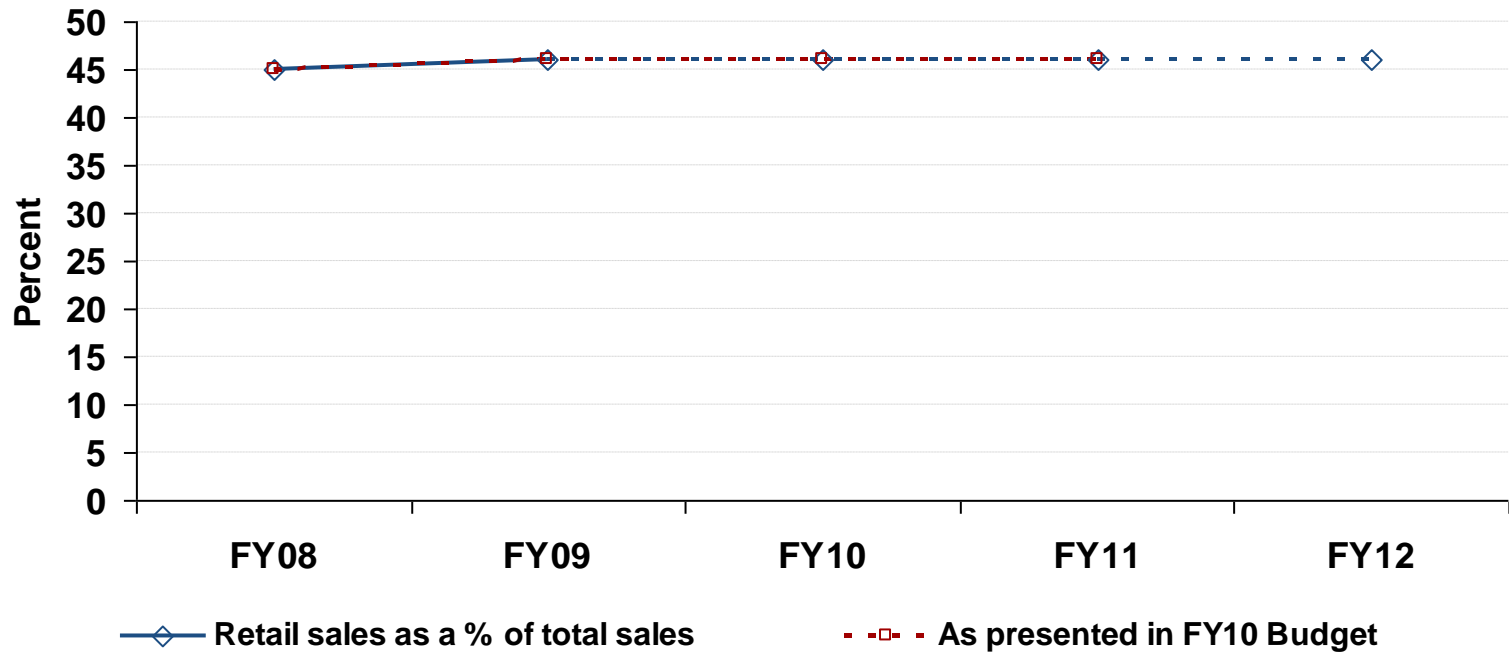
Measure	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Target	FY12 Target
Inventory as a % of sales	28.1	28.5	28.5	28.5	28.5



**This is a new headline measure for FY10.*

Headline Measure

Retail sales as a percentage of total sales



Measure	FY08 Actual	FY09 Actual	FY10 Estimate	FY11 Target	FY12 Target
Retail sales as a % of total sales	45	46	46	46	46
Measure	FY08 Actual	FY09 Estimate	FY10 Target	FY11 Target	
As presented in FY10 Budget	45	46	46	46	

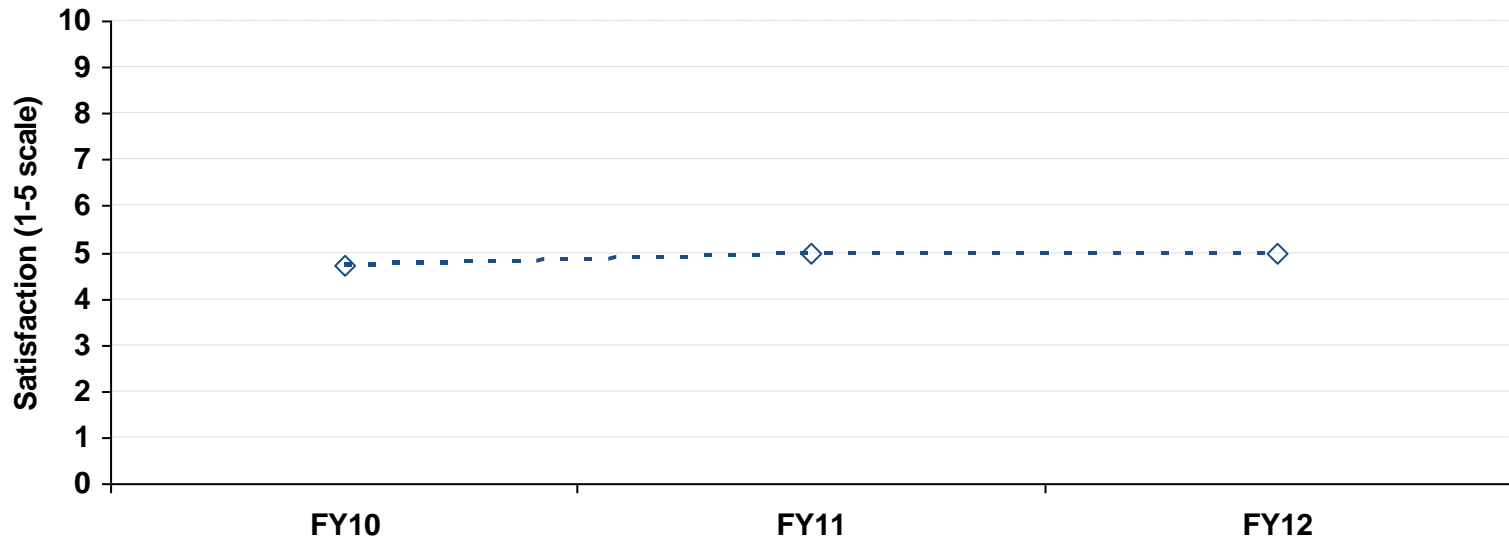


Headline Measure

Rating of licensees satisfied with Licensing Application Process

Average Score on a 1-5 Scale

(5 -Strongly Agree 4 -Agree 3 -Disagree 2 -Strongly Disagree 1-N/A)



Measure	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Target	FY12 Target
Percent	--	--	4.72	5.0	5.0

The LRE Division of Liquor Control implemented a survey of licensees starting in January. The survey response rate is 10% since January. DLC is working on strategies to improve this rate. They decided to remind the Board Chair of the importance of the survey and to convey that to the applicants after the Board votes and they have asked front desk staff to ask the licensee if they filled out the survey when they pick up the license.



Liquor License Application Survey

Rating of licensees satisfied with the application process

Survey Questions (1-5 scale) (5 -Strongly Agree 4 -Agree 3 -Disagree 2 -Strongly Disagree 1-N/A)	Average Score Fiscal Year 2010
Staff was courteous	4.6
Staff was helpful	4.8
Staff was knowledgeable	5.0
The application forms were easy to fill out	4.6
I would apply on-line if that option were available to me	4.6
Overall Score – Application Process Survey	4.72

The LRE Division of Liquor Control implemented a survey of licensees starting in January.

**This is a new headline measure for FY10.*



Liquor License Application Survey

ALERT Training	Yes
I am aware of the free Alcohol Law Education and Regulatory Training (ALERT) offered by Liquor Control	100%
I have taken ALERT Training	80%

Survey Questions (1-5 Scale) (5 -Strongly Agree 4 -Agree 3 -Disagree 2 -Strongly Disagree 1-N/A) <u>If taken ALERT Training</u>	Average Score Fiscal Year 2010
The ALERT Training effectively prepared me for the hearing process	4.75
The ALERT Training adequately prepared me to develop in-house responsible alcohol policies	4.75
I am satisfied with the level of detail provided through ALERT Training	4.75
Overall Score – ALERT Training	4.75

The LRE Division of Liquor Control implemented a survey of licensees starting in January.

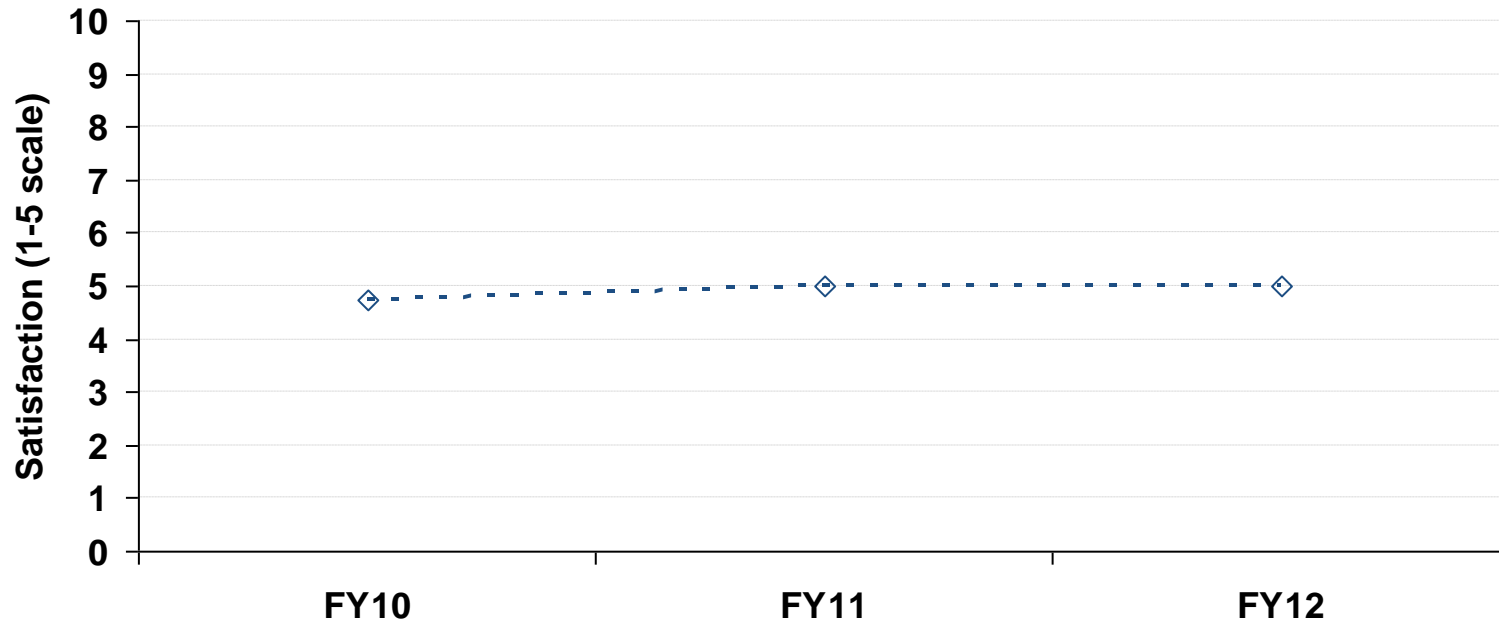
**This is a new headline measure for FY10.*



Headline Measure

Rating of licensees satisfied with ALERT Training Average Score on a 1-5 Scale

(5 -Strongly Agree 4 -Agree 3 -Disagree 2 -Strongly Disagree 1-N/A)



Measure	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Target	FY12 Target
Percent	--	--	4.75	5.0	5.0

The LRE Division of Liquor Control implemented a survey of licensees starting in January.

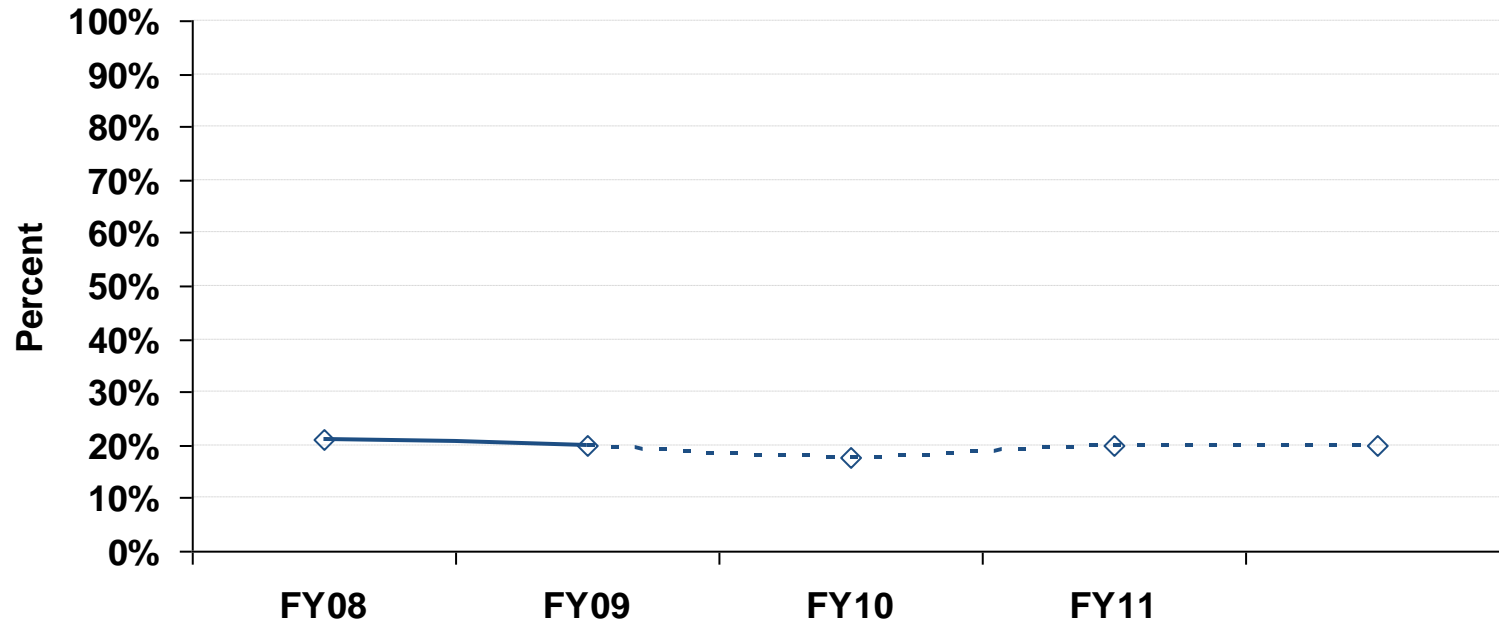
**This is a new headline measure for FY10.*



Headline Measure

Percent of licensees that fail compliance checks

(Number of establishments that fail/Number of total compliance checks)



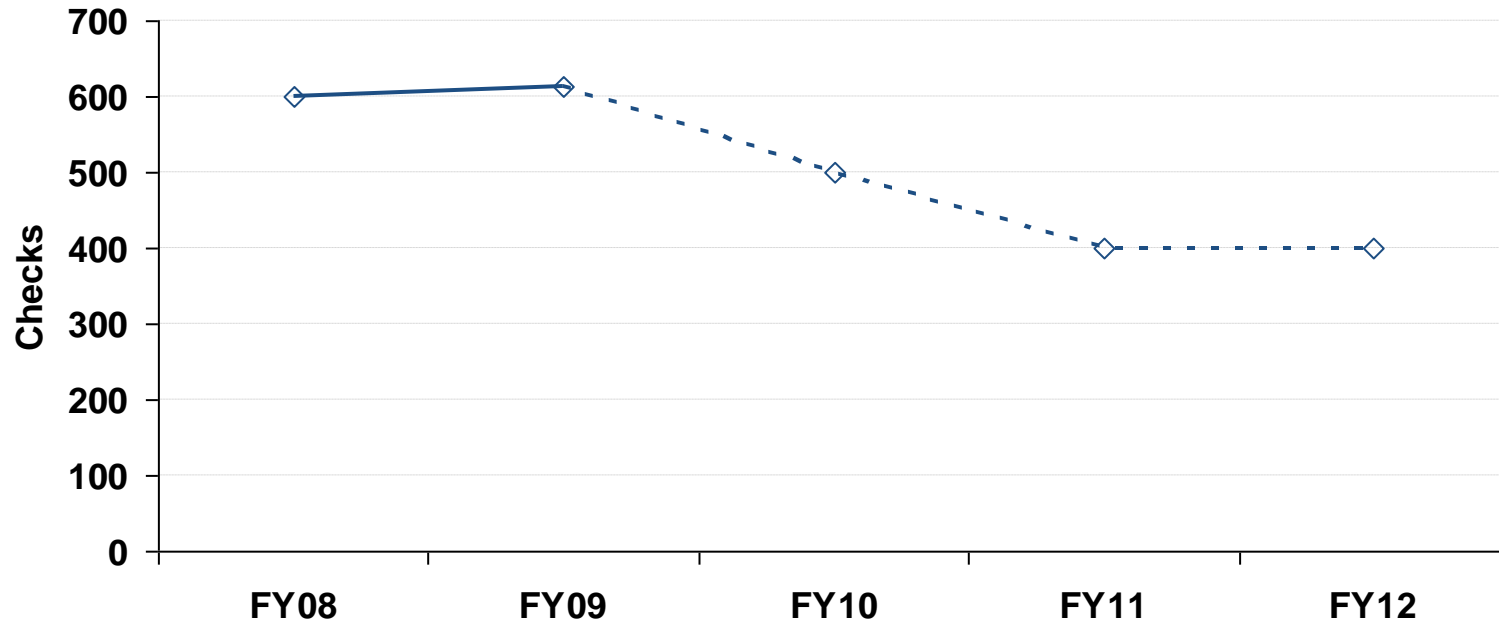
Measure	FY08 Actual	FY09 Actual	FY10 Actual	FY11 Target	FY12 Target
Percent	21%	20%	17.8%	20%	20%



**This is a new headline measure for FY10.*

Headline Measure

Number of annual alcohol compliance checks for sales to minors (under 21)



Measure	FY08 Actual	FY09 Actual	FY10 YTD	FY11 Target	FY12 Target
Number of checks	600	612	499	400	400



Wrap-up

- Follow-up items

